

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 542

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HADEN.

1533H.01P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 191.500, 191.505, 191.510, 191.515, 191.520, 191.525, 191.530, 191.535, 191.540, 191.545, 191.550, 191.600, 191.828, 191.831, 335.203, 335.212, 335.215, 335.218, 335.221, 335.224, 335.227, 335.230, 335.233, 335.236, 335.239, 335.242, 335.245, 335.248, 335.251, 335.254, and 335.257, RSMo, and to enact in lieu thereof ten new sections relating to health professional grant and loan programs.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 191.500, 191.505, 191.510, 191.515, 191.520, 191.525, 191.530, 191.535, 191.540, 191.545, 191.550, 191.600, 191.828, 191.831, 335.203, 335.212, 335.215, 335.218, 335.221, 335.224, 335.227, 335.230, 335.233, 335.236, 335.239, 335.242, 335.245, 335.248, 335.251, 335.254, and 335.257, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 191.430, 191.435, 191.440, 191.445, 191.450, 191.600, 191.828, 191.831, 335.203, and 335.205, to read as follows:

191.430. 1. There is hereby established within the department of health and senior services the "Health Professional Loan Repayment Program" to provide forgivable loans for the purpose of repaying existing loans related to applicable educational expenses for health care, mental health, and public health professionals. The department of health and senior services shall be the administrative agency for the implementation of the program established by this section.

2. The department of health and senior services shall prescribe the form and the time and method of filing applications and supervise the processing, including oversight and monitoring of the program, and shall promulgate rules to implement the provisions

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

10 of sections 191.430 to 191.450. Any rule or portion of a rule, as that term is defined in
11 section 536.010, that is created under the authority delegated in this section shall
12 become effective only if it complies with and is subject to all of the provisions of chapter
13 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable
14 and if any of the powers vested with the general assembly pursuant to chapter 536 to
15 review, to delay the effective date, or to disapprove and annul a rule are subsequently
16 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
17 adopted after August 28, 2023, shall be invalid and void.

18 3. The director of the department of health and senior services shall have the
19 discretion to determine the health professionals and practitioners who will receive
20 forgivable health professional loans from the department to pay their existing loans.
21 The director shall make such determinations each fiscal year based on evidence
22 associated with the greatest needs in the best interests of the public. The health care,
23 mental health, and public health professionals or disciplines funded in any given year
24 shall be contingent upon consultation with the office of workforce development in the
25 department of higher education and workforce development and the department of
26 mental health, or their successor agencies.

27 4. The department of health and senior services shall enter into a contract with
28 each selected applicant who receives a health professional loan under this section. Each
29 selected applicant shall apply the loan award to his or her educational debt. The
30 contract shall detail the methods of forgiveness associated with a service obligation and
31 the terms associated with the principal and interest accruing on the loan at the time of
32 the award. The contract shall contain details concerning how forgiveness is earned,
33 including when partial forgiveness is earned through a service obligation, and the terms
34 and conditions associated with repayment of the loans for any obligation not served.

35 5. All health professional loans shall be made from funds appropriated by the
36 general assembly to the health professional loan incentive fund established in section
37 191.445.

191.435. The department of health and senior services shall designate counties,
2 communities, or sections of areas in the state as areas of defined need for health care,
3 mental health, and public health services. If a county, community, or section of an area
4 has been designated or determined as a professional shortage area, a shortage area, or a
5 health care, mental health, or public health professional shortage area by the federal
6 Department of Health and Human Services or its successor agency, the department of
7 health and senior services shall designate it as an area of defined need under this section.
8 If the director of the department of health and senior services determines that a county,
9 community, or section of an area has an extraordinary need for health care professional

10 services without a corresponding supply of such professionals, the department of health
11 and senior services may designate it as an area of defined need under this section.

191.440. 1. The department of health and senior services shall enter into a
2 contract with each individual qualifying for a forgivable loan under sections 191.430 to
3 191.450. The written contract between the department and the individual shall contain,
4 but not be limited to, the following:

5 (1) An agreement that the state agrees to award a loan and the individual agrees
6 to serve for a period equal to two years, or a longer period as the individual may agree
7 to, in an area of defined need as designated by the department, with such service period
8 to begin on the date identified on the signed contract;

9 (2) A provision that any financial obligations arising out of a contract entered
10 into and any obligation of the individual that is conditioned thereon is contingent upon
11 funds being appropriated for loans;

12 (3) The area of defined need where the person will practice;

13 (4) A statement of the damages to which the state is entitled for the individual's
14 breach of the contract; and

15 (5) Such other statements of the rights and liabilities of the department and of
16 the individual not inconsistent with sections 191.430 to 191.450.

17 2. The department of health and senior services may stipulate specific practice
18 sites, contingent upon department-generated health care, mental health, and public
19 health professional need priorities, where applicants shall agree to practice for the
20 duration of their participation in the program.

191.445. There is hereby created in the state treasury the "Health Professional
2 Loan Incentive Fund", which shall consist of any appropriations made by the general
3 assembly, all funds recovered from an individual under section 191.450, and all funds
4 generated by loan repayments received under sections 191.430 to 191.450. The state
5 treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180,
6 the state treasurer may approve disbursements. The fund shall be a dedicated fund and,
7 upon appropriation, moneys in this fund shall be used solely by the department of
8 health and senior services to provide loans under sections 191.430 to 191.450.
9 Notwithstanding the provisions of section 33.080 to the contrary, any moneys
10 remaining in the fund at the end of the biennium shall not revert to the credit of the
11 general revenue fund. The state treasurer shall invest moneys in the fund in the same
12 manner as other funds are invested. Any interest and moneys earned on such
13 investments shall be credited to the fund.

191.450. 1. An individual who enters into a written contract with the
2 department of health and senior services, as described in section 191.440, and who fails

3 to maintain an acceptable employment status shall be liable to the state for any amount
4 awarded as a loan by the department directly to the individual who entered into the
5 contract that has not yet been forgiven.

6 2. An individual fails to maintain an acceptable employment status under this
7 section when the contracted individual involuntarily or voluntarily terminates
8 qualifying employment, is dismissed from such employment before completion of the
9 contractual service obligation within the specific time frame outlined in the contract, or
10 fails to respond to requests made by the department.

11 3. If an individual breaches the written contract of the individual by failing to
12 begin or complete such individual's service obligation, the state shall be entitled to
13 recover from the individual an amount equal to the sum of:

14 (1) The total amount of the loan awarded by the department or, if the
15 department had already awarded partial forgiveness at the time of the breach, the
16 amount of the loan not yet forgiven;

17 (2) The interest on the amount that would be payable if at the time the loan was
18 awarded it was a loan bearing interest at the maximum prevailing rate as determined by
19 the Treasurer of the United States;

20 (3) An amount equal to any damages incurred by the department as a result of
21 the breach; and

22 (4) Any legal fees or associated costs incurred by the department or the state of
23 Missouri in the collection of damages.

191.600. 1. Sections 191.600 to 191.615 establish a loan repayment program for
2 graduates of approved medical schools, schools of osteopathic medicine, schools of dentistry
3 and accredited chiropractic colleges who practice in areas of defined need and shall be known
4 as the "Health Professional Student Loan Repayment Program". Sections 191.600 to 191.615
5 shall apply to graduates of accredited chiropractic colleges when federal guidelines for
6 chiropractic shortage areas are developed.

7 2. The "Health Professional Student Loan and Loan Repayment Program Fund" is
8 hereby created in the state treasury. All funds recovered from an individual pursuant to
9 section 191.614 and all funds generated by loan repayments and penalties received pursuant
10 to section 191.540 shall be credited to the fund. The moneys in the fund shall be used by the
11 department of health and senior services to provide loan repayments pursuant to section
12 191.611 in accordance with sections 191.600 to 191.614 [~~and to provide loans pursuant to~~
13 ~~sections 191.500 to 191.550~~].

191.828. 1. The following departments shall conduct on-going evaluations of the
2 effect of the initiatives enacted by the following sections:

3 (1) The department of commerce and insurance shall evaluate the effect of revising
4 section 376.782 and sections 143.999, 208.178, 374.126, and 376.891 to 376.894;

5 (2) The department of health and senior services shall evaluate the effect of revising
6 sections 105.711 and [~~sections 191.520 and~~] 191.600 and enacting section 191.411, and
7 sections 167.600 to 167.621, 191.231, 208.177, 431.064, and 660.016. In collaboration with
8 the state board of registration for the healing arts, the state board of nursing, and the state
9 board of pharmacy, the department of health and senior services shall also evaluate the effect
10 of revising section 195.070, section 334.100, and section 335.016, and of sections 334.104
11 and 334.112, and section 338.095 and 338.198;

12 (3) The department of social services shall evaluate the effect of revising section
13 198.090, and sections 208.151, 208.152 and 208.215, and section 383.125, and of sections
14 167.600 to 167.621, 208.177, 208.178, 208.179, 208.181, and 211.490;

15 (4) The office of administration shall evaluate the effect of revising sections 105.711
16 and 105.721;

17 (5) The Missouri consolidated health care plan shall evaluate the effect of section
18 103.178; and

19 (6) The department of mental health shall evaluate the effect of section 191.831 as it
20 relates to substance abuse treatment and of section 191.835.

21 2. The department of revenue and office of administration shall make biannual reports
22 to the general assembly and the governor concerning the income received into the health
23 initiatives fund and the level of funding required to operate the programs and initiatives
24 funded by the health initiatives fund at an optimal level.

191.831. 1. There is hereby established in the state treasury a "Health Initiatives
2 Fund", to which shall be deposited all revenues designated for the fund under subsection 8 of
3 section 149.015, and subsection 3 of section 149.160, and section 167.609, and all other funds
4 donated to the fund or otherwise deposited pursuant to law. The state treasurer shall
5 administer the fund. Money in the fund shall be appropriated to provide funding for
6 implementing the new programs and initiatives established by sections 105.711 and 105.721.
7 The moneys in the fund may further be used to fund those programs established by sections
8 191.411[~~, 191.520~~] and 191.600, sections 208.151 and 208.152, and sections 103.178,
9 143.999, 167.600 to 167.621, 188.230, 191.211, 191.231, 191.825 to 191.839, 192.013,
10 208.177, 208.178, 208.179 and 208.181, 211.490, 285.240, 337.093, 374.126, 376.891 to
11 376.894, 431.064, 660.016, 660.017 and 660.018; in addition, not less than fifteen percent of
12 the proceeds deposited to the health initiative fund pursuant to sections 149.015 and 149.160
13 shall be appropriated annually to provide funding for the C-STAR substance abuse
14 rehabilitation program of the department of mental health, or its successor program, and a C-
15 STAR pilot project developed by the director of the division of alcohol and drug abuse and

16 the director of the department of corrections as an alternative to incarceration, as provided in
17 subsections 2, 3, and 4 of this section. Such pilot project shall be known as the "Alt-care"
18 program. In addition, some of the proceeds deposited to the health initiatives fund pursuant to
19 sections 149.015 and 149.160 shall be appropriated annually to the division of alcohol and
20 drug abuse of the department of mental health to be used for the administration and oversight
21 of the substance abuse traffic ~~[offenders]~~ **offender** program defined in section 302.010 ~~[and~~
22 ~~section 577.001]~~. The provisions of section 33.080 to the contrary notwithstanding, money in
23 the health initiatives fund shall not be transferred at the close of the biennium to the general
24 revenue fund.

25 2. The director of the division of alcohol and drug abuse and the director of the
26 department of corrections shall develop and administer a pilot project to provide a
27 comprehensive substance abuse treatment and rehabilitation program as an alternative to
28 incarceration, hereinafter referred to as "Alt-care". Alt-care shall be funded using money
29 provided under subsection 1 of this section through the Missouri Medicaid program, the C-
30 STAR program of the department of mental health, and the division of alcohol and drug
31 abuse's purchase-of-service system. Alt-care shall offer a flexible combination of clinical
32 services and living arrangements individually adapted to each client and her children. Alt-
33 care shall consist of the following components:

34 (1) Assessment and treatment planning;

35 (2) Community support to provide continuity, monitoring of progress and access to
36 services and resources;

37 (3) Counseling from individual to family therapy;

38 (4) Day treatment services which include accessibility seven days per week,
39 transportation to and from the Alt-care program, weekly drug testing, leisure activities,
40 weekly events for families and companions, job and education preparedness training, peer
41 support and self-help and daily living skills; and

42 (5) Living arrangement options which are permanent, substance-free and conducive
43 to treatment and recovery.

44 3. Any female who is pregnant or is the custodial parent of a child or children under
45 the age of twelve years, and who has pleaded guilty to or found guilty of violating the
46 provisions of chapter 195, and whose controlled substance abuse was a precipitating or
47 contributing factor in the commission of the offense, and who is placed on probation may be
48 required, as a condition of probation, to participate in Alt-care, if space is available in the
49 pilot project area. Determinations of eligibility for the program, placement, and continued
50 participation shall be made by the division of alcohol and drug abuse, in consultation with the
51 department of corrections.

52 4. The availability of space in Alt-care shall be determined by the director of the
53 division of alcohol and drug abuse in conjunction with the director of the department of
54 corrections. If the sentencing court is advised that there is no space available, the court shall
55 consider other authorized dispositions.

 335.203. 1. There is hereby established the "Nursing Education Incentive Program"
2 within the state board of nursing.

3 2. Subject to appropriation and board disbursement, grants shall be awarded through
4 the nursing education incentive program to eligible institutions of higher education based on
5 criteria jointly determined by the board and the department of higher education and workforce
6 development. [~~Grant award amounts shall not exceed one hundred fifty thousand dollars.~~]
7 No campus shall receive more than one grant per year.

8 3. To be considered for a grant, an eligible institution of higher education shall offer a
9 program of nursing that meets the predetermined category and area of need as established by
10 the board and the department under subsection 4 of this section.

11 4. The board and the department shall determine categories and areas of need for
12 designating grants to eligible institutions of higher education. In establishing categories and
13 areas of need, the board and department may consider criteria including, but not limited to:

14 (1) Data generated from licensure renewal data and the department of health and
15 senior services; and

16 (2) National nursing statistical data and trends that have identified nursing shortages.

17 5. The board shall be the administrative agency responsible for implementation of the
18 program established under sections 335.200 to 335.203, and shall promulgate reasonable
19 rules for the exercise of its functions and the effectuation of the purposes of sections 335.200
20 to 335.203. The board shall, by rule, prescribe the form, time, and method of filing
21 applications and shall supervise the processing of such applications.

22 6. Any rule or portion of a rule, as that term is defined in section 536.010, that is
23 created under the authority delegated in this section shall become effective only if it complies
24 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
25 This section and chapter 536 are nonseverable and if any of the powers vested with the
26 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
27 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
28 rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be invalid
29 and void.

**335.205. The board, in addition to any other duties it may have regarding
2 licensure of nurses, shall collect, at the time of any initial license application or license
3 renewal application, a nursing education incentive program surcharge from each person
4 licensed or relicensed under chapter 335, in the amount of one dollar per year for**

5 **practical nurses and five dollars per year for registered professional nurses. These**
 6 **funds shall be deposited in the state board of nursing fund described in section 335.036.**

[191.500. ~~As used in sections 191.500 to 191.550, unless the context clearly indicates otherwise, the following terms mean:~~

2
 3 (1) ~~"Area of defined need", a community or section of an urban area of~~
 4 ~~this state which is certified by the department of health and senior services as~~
 5 ~~being in need of the services of a physician to improve the patient-doctor ratio~~
 6 ~~in the area, to contribute professional physician services to an area of~~
 7 ~~economic impact, or to contribute professional physician services to an area~~
 8 ~~suffering from the effects of a natural disaster;~~

9 (2) ~~"Department", the department of health and senior services;~~

10 (3) ~~"Eligible student", a full-time student accepted and enrolled in a~~
 11 ~~formal course of instruction leading to a degree of doctor of medicine or~~
 12 ~~doctor of osteopathy, including psychiatry, at a participating school, or a~~
 13 ~~doctor of dental surgery, doctor of dental medicine, or a bachelor of science~~
 14 ~~degree in dental hygiene;~~

15 (4) ~~"Financial assistance", an amount of money paid by the state of~~
 16 ~~Missouri to a qualified applicant pursuant to sections 191.500 to 191.550;~~

17 (5) ~~"Participating school", an institution of higher learning within this~~
 18 ~~state which grants the degrees of doctor of medicine or doctor of osteopathy,~~
 19 ~~and which is accredited in the appropriate degree program by the American~~
 20 ~~Medical Association or the American Osteopathic Association, or a degree~~
 21 ~~program by the American Dental Association or the American Psychiatric~~
 22 ~~Association, and applicable residency programs for each degree type and~~
 23 ~~discipline;~~

24 (6) ~~"Primary care", general or family practice, internal medicine,~~
 25 ~~pediatric, psychiatric, obstetric and gynecological care as provided to the~~
 26 ~~general public by physicians licensed and registered pursuant to chapter 334,~~
 27 ~~dental practice, or a dental hygienist licensed and registered pursuant to~~
 28 ~~chapter 332;~~

29 (7) ~~"Resident", any natural person who has lived in this state for one or~~
 30 ~~more years for any purpose other than the attending of an educational~~
 31 ~~institution located within this state;~~

32 (8) ~~"Rural area", a town or community within this state which is not~~
 33 ~~within a standard metropolitan statistical area, and has a population of six~~
 34 ~~thousand or fewer inhabitants as determined by the last preceding federal~~
 35 ~~decennial census or any unincorporated area not within a standard~~
 36 ~~metropolitan statistical area.]~~

[191.505. ~~The department of health and senior services shall be the~~
 2 ~~administrative agency for the implementation of the program established by~~
 3 ~~sections 191.500 to 191.550. The department shall promulgate reasonable~~
 4 ~~rules and regulations for the exercise of its functions in the effectuation of the~~
 5 ~~purposes of sections 191.500 to 191.550. It shall prescribe the form and the~~
 6 ~~time and method of filing applications and supervise the processing thereof.]~~

2 ~~[191.510. The department shall enter into a contract with each~~
3 ~~applicant receiving a state loan under sections 191.500 to 191.550 for~~
4 ~~repayment of the principal and interest and for forgiveness of a portion thereof~~
5 ~~for participation in the service areas as provided in sections 191.500 to~~
~~191.550.]~~

2 ~~[191.515. An eligible student may apply to the department for a loan~~
3 ~~under sections 191.500 to 191.550 only if, at the time of his application and~~
4 ~~throughout the period during which he receives the loan, he has been formally~~
5 ~~accepted as a student in a participating school in a course of study leading to~~
6 ~~the degree of doctor of medicine or doctor of osteopathy, including psychiatry,~~
7 ~~or a doctor of dental surgery, a doctor of dental medicine, or a bachelor of~~
~~science degree in dental hygiene, and is a resident of this state.]~~

2 ~~[191.520. No loan to any eligible student shall exceed twenty five~~
3 ~~thousand dollars for each academic year, which shall run from August first of~~
4 ~~any year through July thirty-first of the following year. All loans shall be~~
5 ~~made from funds appropriated to the medical school loan and loan repayment~~
~~program fund created by section 191.600, by the general assembly.]~~

2 ~~[191.525. No more than twenty five loans shall be made to eligible~~
3 ~~students during the first academic year this program is in effect. Twenty five~~
4 ~~new loans may be made for the next three academic years until a total of one~~
5 ~~hundred loans are available. At least one-half of the loans shall be made to~~
6 ~~students from rural areas as defined in section 191.500. An eligible student~~
7 ~~may receive loans for each academic year he is pursuing a course of study~~
8 ~~directly leading to a degree of doctor of medicine or doctor of osteopathy,~~
9 ~~doctor of dental surgery, or doctor of dental medicine, or a bachelor of science~~
~~degree in dental hygiene.]~~

2 ~~[191.530. Interest at the rate of nine and one-half percent per year shall~~
3 ~~be charged on all loans made under sections 191.500 to 191.550 but one-fourth~~
4 ~~of the interest and principal of the total loan at the time of the awarding of the~~
5 ~~degree shall be forgiven for each year of participation by an applicant in the~~
6 ~~practice of his profession in a rural area or an area of defined need. The~~
7 ~~department shall grant a deferral of interest and principal payments to a loan~~
8 ~~recipient who is pursuing an internship or a residency in primary care. The~~
9 ~~deferral shall not exceed three years. The status of each loan recipient~~
10 ~~receiving a deferral shall be reviewed annually by the department to ensure~~
11 ~~compliance with the intent of this provision. The loan recipient will repay the~~
12 ~~loan beginning with the calendar year following completion of his internship~~
~~or his primary care residency in accordance with the loan contract.]~~

2 ~~[191.535. If a student ceases his study prior to receiving a degree,~~
3 ~~interest at the rate specified in section 191.530 shall be charged on the amount~~
~~received from the state under the provisions of sections 191.500 to 191.550.]~~

2 ~~[191.540. 1. The department shall establish schedules and procedures~~
3 ~~for repayment of the principal and interest of any loan made under the~~
4 ~~provisions of sections 191.500 to 191.550 and not forgiven as provided in~~
5 ~~section 191.530.~~

6 ~~2. A penalty shall be levied against a person in breach of contract.~~
~~Such penalty shall be twice the sum of the principal and the accrued interest.]~~

2 ~~[191.545. When necessary to protect the interest of the state in any~~
3 ~~loan transaction under sections 191.500 to 191.550, the board may institute~~
4 ~~any action to recover any amount due.]~~

2 ~~[191.550. The contracts made with the participating students shall be~~
3 ~~approved by the attorney general.]~~

2 ~~[335.212. As used in sections 335.212 to 335.242, the following terms~~
3 ~~mean:~~

4 ~~(1) "Board", the Missouri state board of nursing;~~

5 ~~(2) "Department", the Missouri department of health and senior~~
6 ~~services;~~

7 ~~(3) "Director", director of the Missouri department of health and~~
8 ~~senior services;~~

9 ~~(4) "Eligible student", a resident who has been accepted as a full-time~~
10 ~~student in a formal course of instruction leading to an associate degree, a~~
11 ~~diploma, a bachelor of science, a master of science in nursing (M.S.N.), a~~
12 ~~doctorate in nursing (Ph.D. or D.N.P.), or a student with a master of science in~~
13 ~~nursing seeking a doctorate in education (Ed.D.), or leading to the completion~~
14 ~~of educational requirements for a licensed practical nurse. The doctoral~~
15 ~~applicant may be a part-time student;~~

16 ~~(5) "Participating school", an institution within this state which is~~
17 ~~approved by the board for participation in the professional and practical~~
18 ~~nursing student loan program established by sections 335.212 to 335.242,~~
19 ~~having a nursing department and offering a course of instruction based on~~
20 ~~nursing theory and clinical nursing experience;~~

21 ~~(6) "Qualified applicant", an eligible student approved by the board for~~
22 ~~participation in the professional and practical nursing student loan program~~
23 ~~established by sections 335.212 to 335.242;~~

24 ~~(7) "Qualified employment", employment on a full-time basis in~~
25 ~~Missouri in a position requiring licensure as a licensed practical nurse or~~
26 ~~registered professional nurse in any hospital as defined in section 197.020 or in~~
27 ~~any agency, institution, or organization located in an area of need as~~
28 ~~determined by the department of health and senior services. Any forgiveness~~
29 ~~of such principal and interest for any qualified applicant engaged in qualified~~
30 ~~employment on a less than full-time basis may be prorated to reflect the~~
31 ~~amounts provided in this section;~~

32 ~~(8) "Resident", any person who has lived in this state for one or more~~
33 ~~years for any purpose other than the attending of an educational institution~~
~~located within this state.]~~

2 ~~[335.215. 1. The department of health and senior services shall be the~~
 3 ~~administrative agency for the implementation of the professional and practical~~
 4 ~~nursing student loan program established under sections 335.212 to 335.242,~~
 5 ~~and the nursing student loan repayment program established under sections~~
 6 ~~335.245 to 335.259.~~

7 ~~2. An advisory panel of nurses shall be appointed by the director. It~~
 8 ~~shall be composed of not more than eleven members representing practical,~~
 9 ~~associate degree, diploma, baccalaureate and graduate nursing education,~~
 10 ~~community health, primary care, hospital, long term care, a consumer, and the~~
 11 ~~Missouri state board of nursing. The panel shall make recommendations to the~~
 12 ~~director on the content of any rules, regulations or guidelines prior to their~~
 13 ~~promulgation. The panel may make recommendations to the director~~
 14 ~~regarding fund allocations for loans and loan repayment based on current~~
 15 ~~nursing shortage needs.~~

16 ~~3. The department of health and senior services shall promulgate~~
 17 ~~reasonable rules and regulations for the exercise of its function pursuant to~~
 18 ~~sections 335.212 to 335.259. It shall prescribe the form, the time and method~~
 19 ~~of filing applications and supervise the proceedings thereof. No rule or portion~~
 20 ~~of a rule promulgated under the authority of sections 335.212 to 335.257 shall~~
 21 ~~become effective unless it has been promulgated pursuant to the provisions of~~
 22 ~~section 536.024.~~

23 ~~4. Ninety five percent of funds loaned pursuant to sections 335.212 to~~
 24 ~~335.242 shall be loaned to qualified applicants who are enrolled in~~
 25 ~~professional nursing programs in participating schools and five percent of~~
 26 ~~the funds loaned pursuant to sections 335.212 to 335.242 shall be loaned to~~
 27 ~~qualified applicants who are enrolled in practical nursing programs. Priority~~
 28 ~~shall be given to eligible students who have established financial need. All~~
 29 ~~loan repayment funds pursuant to sections 335.245 to 335.259 shall be used to~~
 30 ~~reimburse successful associate, diploma, baccalaureate or graduate~~
 31 ~~professional nurse applicants' educational loans who agree to serve in areas~~
~~of defined need as determined by the department.]~~

2 ~~[335.218. There is hereby established the "Professional and Practical~~
 3 ~~Nursing Student Loan and Nurse Loan Repayment Fund". All fees pursuant to~~
 4 ~~section 335.221, general revenue appropriations to the student loan or loan~~
 5 ~~repayment program, voluntary contributions to support or match the student~~
 6 ~~loan and loan repayment program activities, funds collected from repayment~~
 7 ~~and penalties, and funds received from the federal government shall be~~
 8 ~~deposited in the state treasury and be placed to the credit of the professional~~
 9 ~~and practical nursing student loan and nurse loan repayment fund. The fund~~
 10 ~~shall be managed by the department of health and senior services and all~~
 11 ~~administrative costs and expenses incurred as a result of the effectuation of~~
~~sections 335.212 to 335.259 shall be paid from this fund.]~~

2 ~~[335.221. The board, in addition to any other duties it may have~~
 3 ~~regarding licensure of nurses, shall collect, at the time of licensure or licensure~~
 4 ~~renewal, an education surcharge from each person licensed or relicensed~~
~~pursuant to sections 335.011 to 335.096, in the amount of one dollar per year~~

5 for practical nurses and five dollars per year for professional nurses. These
6 funds shall be deposited in the professional and practical nursing student loan
7 and nurse loan repayment fund. All expenditures authorized by sections
8 335.212 to 335.259 shall be paid from funds appropriated by the general
9 assembly from the professional and practical nursing student loan and nurse
10 loan repayment fund. The provisions of section 33.080 to the contrary
11 notwithstanding, money in this fund shall not be transferred and placed to the
12 credit of general revenue.]

2 [335.224. The department of health and senior services shall enter into
3 a contract with each qualified applicant receiving financial assistance under
4 the provisions of sections 335.212 to 335.242 for repayment of the principal
and interest.]

2 [335.227. An eligible student may apply to the department for
3 financial assistance under the provisions of sections 335.212 to 335.242 if, at
4 the time of his application for a loan, the eligible student has formally applied
5 for acceptance at a participating school. Receipt of financial assistance is
6 contingent upon acceptance and continued enrollment at a participating
school.]

2 [335.230. Financial assistance to any qualified applicant shall not
3 exceed ten thousand dollars for each academic year for a professional nursing
4 program and shall not exceed five thousand dollars for each academic year for
5 a practical nursing program. All financial assistance shall be made from funds
6 credited to the professional and practical nursing student loan and nurse loan
7 repayment fund. A qualified applicant may receive financial assistance for
8 each academic year he remains a student in good standing at a participating
school.]

2 [335.233. The department shall establish schedules for repayment of
3 the principal and interest on any financial assistance made under the
4 provisions of sections 335.212 to 335.242. Interest at the rate of nine and
5 one-half percent per annum shall be charged on all financial assistance made
6 under the provisions of sections 335.212 to 335.242, but the interest and
7 principal of the total financial assistance granted to a qualified applicant at the
8 time of the successful completion of a nursing degree, diploma program or a
practical nursing program shall be forgiven through qualified employment.]

2 [335.236. The financial assistance recipient shall repay the financial
3 assistance principal and interest beginning not more than six months after
4 completion of the degree for which the financial assistance was made in
5 accordance with the repayment contract. If an eligible student ceases his study
6 prior to successful completion of a degree or graduation at a participating
7 school, interest at the rate specified in section 335.233 shall be charged on the
8 amount of financial assistance received from the state under the provisions of
9 sections 335.212 to 335.242, and repayment, in accordance with the repayment
contract, shall begin within ninety days of the date the financial aid recipient

10 ceased to be an eligible student. All funds repaid by recipients of financial
 11 assistance to the department shall be deposited in the professional and practical
 12 nursing student loan and nurse loan repayment fund for use pursuant to
 13 sections 335.212 to 335.259.]

2 [335.239. The department shall grant a deferral of interest and
 3 principal payments to a financial assistance recipient who is pursuing an
 4 advanced degree, special nursing program, or upon special conditions
 5 established by the department. The deferral shall not exceed four years.
 6 The status of each deferral shall be reviewed annually by the department of
 health and senior services to ensure compliance with the intent of this section.]

2 [335.242. When necessary to protect the interest of the state in any
 3 financial assistance transaction under sections 335.212 to 335.259, the
 4 department of health and senior services may institute any action to recover
 any amount due.]

2 [335.245. As used in sections 335.245 to 335.259, the following terms
 mean:

3 (1) "Department", the Missouri department of health and senior
 4 services;

5 (2) "Eligible applicant", a Missouri licensed nurse who has attained
 6 either an associate degree, a diploma, a bachelor of science, or graduate degree
 7 in nursing from an accredited institution approved by the board of nursing or a
 8 student nurse in the final year of a full-time baccalaureate school of nursing
 9 leading to a baccalaureate degree or graduate nursing program leading to a
 10 master's degree in nursing and has agreed to serve in an area of defined need as
 11 established by the department;

12 (3) "Participating school", an institution within this state which grants
 13 an associate degree in nursing, grants a bachelor or master of science degree in
 14 nursing or provides a diploma nursing program which is accredited by the state
 15 board of nursing, or a regionally accredited institution in this state which
 16 provides a bachelor of science completion program for registered professional
 17 nurses;

18 (4) "Qualified employment", employment on a full time basis in
 19 Missouri in a position requiring licensure as a licensed practical nurse or
 20 registered professional nurse in any hospital as defined in section 197.020 or
 21 public or nonprofit agency, institution, or organization located in an area of
 22 need as determined by the department of health and senior services. Any
 23 forgiveness of such principal and interest for any qualified applicant engaged
 24 in qualified employment on a less than full time basis may be prorated to
 25 reflect the amounts provided in this section.]

2 [335.248. Sections 335.245 to 335.259 shall be known as the "Nursing
 3 Student Loan Repayment Program". The department of health and senior
 4 services shall be the administrative agency for the implementation of the
 5 authority established by sections 335.245 to 335.259. The department shall
 promulgate reasonable rules and regulations necessary to implement sections

6 ~~335.245 to 335.259. Promulgated rules shall include, but not be limited to,~~
7 ~~applicant eligibility, selection criteria, prioritization of service obligation sites~~
8 ~~and the content of loan repayment contracts, including repayment schedules~~
9 ~~for those in default and penalties. The department shall promulgate rules~~
10 ~~regarding recruitment opportunities for minority students into nursing schools.~~
11 ~~Priority for student loan repayment shall be given to eligible applicants who~~
12 ~~have demonstrated financial need. All funds collected by the department from~~
13 ~~participants not meeting their contractual obligations to the state shall be~~
14 ~~deposited in the professional and practical nursing student loan and nurse loan~~
15 ~~repayment fund for use pursuant to sections 335.212 to 335.259.]~~

2 ~~[335.251. Upon proper verification to the department by the eligible~~
3 ~~applicant of securing qualified employment in this state, the department shall~~
4 ~~enter into a loan repayment contract with the eligible applicant to repay the~~
5 ~~interest and principal on the educational loans of the applicant to the limit of~~
6 ~~the contract, which contract shall provide for instances of less than full-time~~
7 ~~qualified employment consistent with the provisions of section 335.233, out of~~
8 ~~any appropriation made to the professional and practical nursing student loan~~
9 ~~and nurse loan repayment fund. If the applicant breaches the contract by~~
10 ~~failing to begin or complete the qualified employment, the department is~~
11 ~~entitled to recover the total of the loan repayment paid by the department plus~~
12 ~~interest on the repaid amount at the rate of nine and one-half percent per~~
~~annum.]~~

2 ~~[335.254. Sections 335.212 to 335.259 shall not be construed to~~
3 ~~require the department to enter into contracts with individuals who qualify for~~
4 ~~nursing education loans or nursing loan repayment programs when federal,~~
~~state and local funds are not available for such purposes.]~~

2 ~~[335.257. Successful applicants for whom loan payments are made~~
3 ~~under the provisions of sections 335.245 to 335.259 shall verify to the~~
4 ~~department twice each year in the manner prescribed by the department that~~
~~qualified employment in this state is being maintained.]~~

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